The Berkeley Group Holdings plc

PRESS RELEASE **5TH DECEMBER 2008**

INTERIM RESULTS ANNOUNCEMENT

Announcing the results of The Berkeley Group Holdings plc ("Berkeley" or "the Group") – the urban regenerator and residential property developer – for the six months ended 31st October 2008, Managing Director, A. W. Pidgley said:

"In these market conditions, which are undoubtedly the most challenging for over 30 years, I am pleased to be in a position to report this robust set of results. Berkeley has always planned for a cyclical market and, with its strong ungeared balance sheet, is well placed to take advantage of the opportunities that will be presented in the future.

Our industry continues to be constrained by the planning environment but through our expertise Berkeley can address this challenge. However, the lack of availability of mortgages for our customers, brought about by the global financial crisis and broader recessionary fears, has resulted in downward pressure on transaction volumes and sales prices. This is largely outside our control and will continue until the root of the problems in the financial markets is addressed and the feel-good factor can return to the economy.

There are four areas of preoccupation for Berkeley in these market conditions – in fact, it is the same in all market conditions – First, we are concentrating on generating free cash flow and protecting the balance sheet. This builds the strength to withstand the more challenging times and to then take advantage of the opportunities that will follow. Secondly, we are using our expertise to optimise our land holdings to create added value for shareholders. In doing so, and thirdly, we are committed to creating places that deliver an experience and satisfaction for our customers beyond simple monetary value – a sustainable legacy. Finally, it is about people, and nurturing the talent and passion of Berkeley's people to even greater achievement.

	Oct 2008 £'million (unaudited)	Oct 2007 £'million (unaudited)	Change £'million	Change %
Group Revenue	452.6	441.4	+11.2	+2.5%
Operating Profit	80.6	94.7	-14.1	-14.9%
Net Finance Income/(Costs)	0.3	(2.6)	+2.9	
Joint Ventures (after tax)	(1.3)	(1.5)	+0.2	
Profit Before Tax	79.6	90.6	-11.0	-12.1%
Tax	(22.6)	(27.2)	+4.6	
Profit After Tax	57.0	63.4	-6.4	-10.1%
EPS – Basic	47.8p	52.6p	-4.8p	-9.1%
EPS – Diluted	46.3p	52.5p	-6.2p	-11.8%
ROCE	25.3%	25.8%	-0.5%	

While I am pleased by these results, it is the cash generation of £142.7 million that is the outstanding feature of the performance in the period. This inflow has continued and this positions Berkeley well to take advantage of the opportunities that it expects to see in the future."

PERFORMANCE FOR THE PERIOD

- £142.7 million of cash generated
- £79.6 million of profit before tax (2007: £90.6 million)
- 47.8 pence of Earnings per Share (2007: 52.6 pence)
- 17.8% operating margin (2007: 21.5%)
- Total value of sales reservations 55% below historic average
- 2.7 million shares acquired for £17.8 million (£6.45 per share)

BALANCE SHEET

- Ungeared
- No land write-downs
- Net Cash of £138.2 million (April 2008: Net Debt of £4.5 million)
- 594 pence of Net Asset Value per Share (April 2008: 564 pence)
- 540 pence of Net Asset Value per Share if diluted for conditionally vested shares
- £807.9 million of cash due on forward sales (April 2008: £1,210.0 million)
- 30,278 land bank plots (April 2008: 31,365)
- £2.1 billion of land bank future gross margin (April 2008: £2.7 billion)

SCHEME OF ARRANGEMENT

- £9 of £12 per share paid to shareholders by January 2008 – one year ahead of schedule
- Payment of final £3 per share extended to January 2014
- LTIP award split into two parts with 9/12 (16.0 million shares) vested conditionally ("Element 1") and 3/12 (5.3 million shares) to vest if final £3 is paid by January 2014 ("Element 2")
- 25% of Element 1 vested unconditionally in the period – delivered as 2.4 million shares after tax

INTERIM MANAGEMENT REVIEW

Results

Berkeley is pleased to announce a pre-tax profit of £79.6 million for the six months ended 31st October 2008, a period of particularly challenging trading conditions. This is £11.0 million less than the £90.6 million reported for the same period last year, a decrease of 12.1%. Basic earnings per share are 47.8 pence, a decrease of 9.1% on the 52.6 pence reported for the same period last year.

For the year ended 30th April 2008, Berkeley reported 46% of its operating profit in the first half of the year. For 2008/09, we expect this profile to at least reverse due to a lower level of activity anticipated and with the concentration remaining on cash generation.

Total equity (shareholders' funds) increased by £33.2 million to £714.6 million (April 2008: £681.4 million) with net assets per share of 594 pence at 31st October 2008 (April 2008: 564 pence). Return on Capital Employed for the period was 25.3%, compared to 25.8% last time with Berkeley holding £138.2 million of net cash at 31st October 2008 (April 2008: Net debt of £4.5 million).

Housing Market

It would clearly be an understatement to say that the housing market has not been badly affected by the wider economic events which have unfolded over the last 18 months. Over the preceding 15 years or so, we experienced a strong housing market but this began to moderate naturally before the start of the current global financial crisis with five interest rates rises in 2006 and 2007.

These 18 months of uncertainty in the financial markets has resulted in a lack of availability of credit and mortgages for our customers. The recent Government and Central Bank interventions, including three interest rate reductions totalling 3%, aimed at initially stabilising but then stimulating the banking sector and liquidity, are yet to feed through to benefit the consumer.

As a result, Berkeley has achieved sales reservations with a value approximately 55% below the historic average in the six month period, and 60% for the period since the collapse of Lehman Brothers in September.

Sales prices have been under pressure but Berkeley is seeing solid demand for homes which are well located, properly presented and correctly priced. Today's low interest rates continue to make housing affordable and this underpins the market for those in a position to buy. Customers acquiring properties as an investment remain active and represent just over 50% of Berkeley's underlying sales in the first half of the year. This is in our normal range for investors who continue to be influenced by the lack of alternative investments, with doubts over pensions and the stock market and with low interest rates producing unattractive returns on interest-linked investments.

In broader terms, the principal business risks and uncertainties facing Berkeley are largely the same as those set out on page 21 of the Annual Report for the year ended 30th April 2008, although they are unquestionably heightened in these market conditions. In preparing this interim report, full account has been taken of this risk profile and the future outlook for our regeneration sites.

Trading Analysis and Cash Flow

Revenue for the Group was £452.6 million (2007: £441.4 million). This comprised £427.9 million (2007: £422.1 million) of residential revenue, of which £25.5 million was from land sales (2007: £13.1 million), along with £24.7 million (2007: £19.3 million) of commercial revenue.

During the period, the Group sold 968 units at an average selling price of £399,000. This compares with 1,630 units at an average selling price of £245,000 in the same period last year. The increase in average selling price is due to sales mix with a high proportion of sales revenue in the period coming from the delivery of the forward sales taken in previous periods on our Central London sites and a lower proportion of affordable units compared to the same period last year.

At £24.7 million (2007: £19.3 million), the Group's revenue from commercial activities represents the disposal of commercial units on 5 mixed-use sites. The most significant of these were the disposals, on two of the Group's London sites, of 17,000 square feet of retail space at Imperial Wharf occupied by M&S and 20,000 square feet of retail space at Tabard Square including a gym, nursery and a Tesco store.

Berkeley's operating margin of 17.8% compares to 20.8% for the full year ended 30th April 2008. This is within the long-term historic range of 17.5% to 19.5% range (depending on mix) reported by the Group over recent reporting periods and represents a strong trading performance in the context of the prevailing market conditions. Berkeley is confident of being able to remain in this range through the optimisation of its sites, but this will depend on transaction levels allowing for the absorption of operating costs.

At 31st October 2008, Berkeley had net cash of £138.2 million (April 2008: net debt of £4.5 million). This is after generating £142.7 million of cash flow in the six months, of which £159.4 million relates to the underlying trading performance and £11.7 million to a one-off net inflow from taxation, offset by an outflow of £28.4 million from financing activities, which include the acquisition of shares and settlement of share based payments. The cash flow from underlying trading has benefited from an increase in deposits and on account receipts of £50.4 million, from £170.8 million to £221.2 million.

Forward Sales

At 31st October 2008, Berkeley held cash due on forward sales of £807.9 million, compared to £1,210.0 million at 30th April 2008. This cash due will benefit the second six months of the current year as well as future years.

Selling homes at an early stage in the development cycle, often off-plan, to secure customers' commitment and ensure the quality and certainty of future revenue and cash flow remains a fundamental part of Berkeley's strategy. It is, however, increasingly difficult to secure forward sales while there is uncertainty over the banks' future lending criteria and valuation metrics. Until resolved, this uncertainty will result in a lower level of production, as Berkeley has always looked to match supply to demand on its sites.

Land Holdings

Berkeley had hoped to see an appropriate softening in the land market during the period and consequential opportunities to acquire land for the future. Instead, there has been very little activity as land prices are yet to reflect the true cost of the planning requirements and Section 106 contributions, coupled with the uncertain market conditions. The Group's policy during the period has been to acquire land cautiously at robust margins and, as a result, we have only agreed 4 new sites.

At 31st October 2008, the Group (including joint ventures) controlled some 30,278 plots with an estimated gross margin of £2,147 million. This compares with 31,365 plots and an estimated gross margin of £2,728 million at 30th April 2008. Of the total 30,278 plots, 22,555 plots (April 2008: 23,065) are owned and included on the balance sheet. In addition, 7,723 plots (April 2008: 8,014) are contracted and no plots (April 2008: 286) have terms agreed. In excess of 95% of our holdings are on brown-field or recycled land.

The movements in the land bank since 30th April 2008 are the result of a full review of plots, revenues and costs to reflect the prevailing market conditions and their impact on the development of our sites. We are submitting revised applications on our sites to ensure that these are market led and we have identified a number of different development solutions to achieve this. This involves a great deal of expertise and patience as many local authorities continue to look for planning gain ahead of new homes being built.

Sustainability

Berkeley continues to lead the Sustainability agenda in the industry. In the period, the seven key commitments made last year to further increase the sustainability of our homes and operations have been added to and, following on from being honoured to receive the "Queen's Award for Enterprise: Sustainable Development 2008", Berkeley has once again topped the NextGeneration Housing Benchmark. NextGeneration is recognised as the leading industry sustainability benchmark and ranks home builders in terms of both reporting and performance on sustainability issues.

Research and development into new technologies to improve the sustainability of the homes we build and communities we create remains embedded within Berkeley's processes. Not only is this the right thing to do, it improves the customer experience and this creates a recognisable competitive advantage for Berkeley. First and foremost, however, homes must be buildable, maintainable and affordable to run. As an industry group, we must recognise this and ensure we allow the technology to catch up with our ambition.

Awards

Our customers remain the single most important ingredient to Berkeley's success and the current market, more than ever, requires attention to detail, quality of product and the creation of sustainable places where people want to live and bring up their families. Berkeley is therefore delighted that, in addition to the recognition for its Sustainability achievements, it has received two CABE building for life awards for its developments at Royal Arsenal, Woolwich and Gunwharf Quays in Portsmouth and that Berkeley Homes has also recently been awarded the "What House? Best Large Housebuilder Gold Award" for 2008. Royal Arsenal, Woolwich also received one of this year's five coveted BURA Best Practice awards.

Our People

Our people have demonstrated that they possess the experience, ability and judgement to perform in these unprecedented market conditions. This is fundamental to the success of the business and shows the value of having strong autonomous management teams. It is easy to underestimate people and to take for granted their loyalty and passion in times like these, but now is exactly the time to cement these teams and take the opportunity to make them stronger for the future when the market returns.

On behalf of the Shareholders and Directors of Berkeley I would like to take this opportunity to thank our people and recognise their extraordinary efforts and achievements in these extraordinary times.

Outlook

Berkeley's strategy is unambiguous and well suited to the prevailing market conditions. First and foremost, we will always protect the balance sheet. This builds the strength to withstand the more challenging times and to then quickly and decisively take advantage of the opportunities that will follow.

Right now, there is an unprecedented level of uncertainty in the market place, much of which is out of our control and we await the benefit to come through from the recent reductions in interest rates, Government support of the banking sector and other stimuli to the economy.

In spite of this uncertainty, the short term will bring opportunities for those with the strength to execute them and the judgement to identify those that represent real value. It is fantastic that Berkeley is in the position it is to capitalise on this.

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Statement of Directors' Responsibilities

This statement, which should be read in conjunction with the independent review of the auditors set out at the end of this condensed set of interim financial statements (the "interim financial statements"), is made to enable shareholders to distinguish the respective responsibilities of the Directors and the auditors in relation to the interim financial statements which the Directors confirm has been presented on a going concern basis. The Directors consider that the Group has used appropriate accounting policies, consistently applied and supported by reasonable and appropriate judgements and estimates.

A copy of the interim financial statements of the Group is placed on the website of The Berkeley Group Holdings: www.berkeleygroup.co.uk. The Directors are responsible for the maintenance and integrity of the information on the website. Information published on the internet is accessible in many countries with different legal requirements. Legislation in the United Kingdom governing the preparation and dissemination of the financial statements may differ from legislation in other jurisdictions.

The Directors confirm that this condensed set of interim financial statements has been prepared in accordance with IAS 34 as adopted by the European Union, and that the interim management report herein includes a fair review of the information required by the Disclosure and Transparency Rules 4.2.7 and 4.2.8.

The Directors of The Berkeley Group Holdings plc are listed in The Berkeley Group Holdings plc Annual Report for 30 April 2008, with the exception of the following changes in the period: Mr M Tanner resigned as a Non-executive Director on 27 June 2008. A list of current Directors is maintained on The Berkeley Group Holdings website.

By order of the Board

A W Pidgley
5 December 2008
Managing Director

R C Perrins
5 December 2008
Finance Director

The Berkeley Group Holdings plc

Consolidated Income Statement

	Notes	Six months ended 31 October 2008 Unaudited £'000	Six months ended 31 October 2007 Unaudited £'000	Year ended 30 April 2008 Audited £'000
Continuing operations				
Revenue	5(a)	452,633	441,372	991,465
Cost of sales		(330,369)	(299,968)	(687,071)
Gross profit		122,264	141,404	304,394
Net operating expenses		(41,693)	(46,657)	(98,376)
Operating profit	5(b)	80,571	94,747	206,018
Finance income	6	2,240	4,155	6,480
Finance costs	6	(1,872)	(6,793)	(15,774)
Share of post tax results of joint ventures using the equity method	5(c)	(1,338)	(1,463)	(2,416)
Profit before taxation		79,601	90,646	194,308
Taxation	7	(22,607)	(27,251)	(56,481)
Profit after taxation		56,994	63,395	137,827
Earnings per Ordinary Share				
- Basic	8	47.8p	52.6p	114.2p
- Diluted	8	46.3p	52.5p	114.1p

Consolidated Statement of Recognised Income and Expense

	Six months ended 31 October 2008 Unaudited £'000	Six months ended 31 October 2007 Unaudited £'000	Year ended 30 April 2008 Audited £'000
Profit for the financial period	56,994	63,395	137,827
Actuarial loss recognised in the pension scheme	(657)	(259)	(644)
Deferred tax on actuarial loss recognised in the pension scheme	184	78	180
Deferred tax in respect of employee share schemes	3,823	3,300	(7,830)
Total recognised income for the period	60,344	66,514	129,533

The Berkeley Group Holdings plc

Consolidated Balance Sheet

	Notes	At 31 October 2008 Unaudited £'000	At 31 October 2007 Unaudited (Restated) £'000	At 30 April 2008 Audited £'000
Assets				
Non-current assets				
Intangible assets		17,416	18,551	17,869
Property, plant and equipment		4,272	4,356	4,667
Investments accounted for using equity method		2,093	1,779	2,447
Deferred tax assets		36,458	43,494	39,074
		60,239	68,180	64,057
Current assets				
Inventories		1,152,334	1,237,354	1,231,852
Trade and other receivables		15,827	50,529	20,800
Cash and cash equivalents		138,237	170,175	-
		1,306,398	1,458,058	1,252,652
Liabilities				
Current liabilities				
Borrowings		(85)	(57,433)	(4,549)
Trade and other payables		(513,045)	(491,918)	(526,114)
Current tax liabilities		(84,136)	(39,881)	(56,437)
		(597,266)	(589,232)	(587,100)
Net current assets		709,132	868,826	665,552
Total assets less current liabilities		769,371	937,006	729,609
Non-current liabilities				
Other non-current liabilities		(54,777)	(86,112)	(48,202)
		(54,777)	(86,112)	(48,202)
Net assets		714,594	850,894	681,407
Shareholders' equity				
Share capital		12,082	18,123	12,082
Share premium		264	264	264
Capital redemption reserve		18,173	12,132	18,173
Other reserve		(961,299)	(961,299)	(961,299)
Revaluation reserve		6,226	13,814	11,329
Retained profit		1,639,148	1,767,860	1,600,858
Total equity	9	714,594	850,894	681,407

Consolidated Cash Flow Statement

	Notes	Six months ended 31 October 2008 Unaudited £'000	Six months ended 31 October 2007 Unaudited (Restated) £'000	Year ended 30 April 2008 Audited £'000
Cash flows from operating activities				
Cash generated from operations	10	158,659	66,830	215,246
Dividends from joint ventures		–	–	323
Interest received		2,218	4,155	6,376
Interest paid		(410)	(3,691)	(7,908)
Tax received/(paid)		11,715	(31,572)	(50,854)
Net cash flow from operating activities		172,182	35,722	163,183
Cash flows from investing activities				
Purchase of property, plant and equipment		(229)	(2,557)	(3,598)
Sale of property, plant and equipment		160	128	324
Purchase of shares in joint ventures		–	(70)	(70)
Movements in loans with joint ventures		(984)	(1,443)	(3,709)
Net cash flow from investing activities		(1,053)	(3,942)	(7,053)
Cash flows from financing activities				
Redemption of shares		–	–	(241,641)
Purchase of own shares		(17,811)	–	–
Cash settlement of employee share schemes		(10,617)	–	–
Repayment of short-term borrowings		–	(1,935)	(59,283)
Net cash flow from financing activities		(28,428)	(1,935)	(300,924)
Net increase / (decrease) in cash and cash equivalents		142,701	29,845	(144,794)
Cash and cash equivalents, including bank overdraft, at the start of the period		(4,464)	140,330	140,330
Cash and cash equivalents, including bank overdraft, at the end of the period		138,237	170,175	(4,464)
Cash and cash equivalents at end of the financial period		138,237	170,175	–
Bank overdraft at end of the financial period		–	–	(4,464)

Notes to condensed consolidated half-yearly financial information

1 General information

The Company is a limited liability company incorporated and domiciled in the United Kingdom. The address of its registered office is Berkeley House, 19 Portsmouth Road, Cobham, Surrey, KT11 1JG.

This condensed consolidated half-yearly financial information was approved for issue on 5 December 2008.

These interim financial results do not comprise statutory accounts within the meaning of Section 240 of the Companies Act 1985. Statutory accounts for the year ended 30 April 2008 were approved by the Board of Directors on 17 July 2008 and delivered to the Registrar of Companies. The report of the auditors on those accounts was unqualified, did not contain an emphasis of matter paragraph and did not contain any statement under Section 237 of the Companies Act 1985.

2 Restatement

In the statutory accounts for the year ended 30 April 2008 a restatement in a disclosure item was made whereby new property deposits and on account contract receipts previously classified as a reduction in inventories were disclosed within current trade and other payables. Deposits and on account contract receipts at 31 October 2007 amounted to £138,138,000 (30 April 2007: £71,380,000).

3 Basis of preparation

This condensed consolidated half-yearly financial information for the six months ended 31 October 2008 has been prepared in accordance with the Disclosure and Transparency Rules of the Financial Services Authority and with IAS 34 'Interim financial reporting' as adopted by the European Union. This half-yearly condensed consolidated financial report should be read in conjunction with the annual financial statements for the year ended 30 April 2008, which have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union.

4 Accounting policies

The accounting policies adopted are consistent with those of the annual financial statements for the year ended 30 April 2008, as described in those annual financial statements.

The following new interpretation is mandatory for the first time for the financial year ending 30 April 2009:

- IFRIC12 "Service Concession Arrangements".

The adoption of this interpretation has no impact on the consolidated financial statements.

The following new standards, amendments to standards and interpretations have been issued, but are not effective for the financial year ending 30 April 2009 and have not been early adopted:

- IFRS 8 "Operating Segments";
- IFRIC13 "Customer Loyalty Programmes";
- IFRIC15 "Agreements for the Construction of Real Estate";
- IFRIC16 "Hedges of a Net Investment in a Foreign Operation";
- IAS 23 (Amendment) "Borrowing Costs".

These standards are not expected to have a significant impact on the consolidated financial statements.

Notes to condensed consolidated half-yearly financial information continued

5 Segmental reporting

		Six months ended 31 October 2008 Unaudited	Six months ended 31 October 2007 Unaudited	Year ended 30 April 2008 Audited
		£'000	£'000	£'000
(a)	**Revenue**			
	Residential housebuilding	427,895	422,084	960,036
	Commercial property and other activities	24,738	19,288	31,429
		452,633	441,372	991,465
(b)	**Operating profit**			
	Residential housebuilding	73,713	89,763	197,553
	Commercial property and other activities	6,858	4,984	8,465
		80,571	94,747	206,018
(c)	**Share of post tax results of joint ventures**			
	Residential housebuilding	(1,338)	(1,463)	(2,416)
	Commercial property and other activities	–	–	–
		(1,338)	(1,463)	(2,416)

All revenue and profit disclosed in the table above relate to continuing activities of the Group and are derived from activities performed in the United Kingdom. Included in Group residential housebuilding revenue and operating profit are £25,532,000 and £3,985,000 in respect of land sales (2007: £13,106,000 and £717,000).

6 Net finance income / (costs)

	Six months ended 31 October 2008 Unaudited	Six months ended 31 October 2007 Unaudited	Year ended 30 April 2008 Audited
	£'000	£'000	£'000
Finance income	2,240	4,155	6,480
Finance costs			
Interest payable on bank loans and overdrafts	(499)	(1,740)	(6,035)
Bank facility refinancing costs	–	(1,792)	(1,792)
Other finance costs	(1,373)	(3,261)	(7,947)
	(1,872)	(6,793)	(15,774)
Net finance income / (costs)	368	(2,638)	(9,294)

7 Taxation

	Six months ended 31 October 2008 Unaudited £'000	Six months ended 31 October 2007 Unaudited £'000	Year ended 30 April 2008 Audited £'000
Current tax			
UK corporation tax payable	(21,792)	(33,451)	(72,565)
Adjustments in respect of previous periods	377	678	3,954
	(21,415)	(32,773)	(68,611)
Deferred tax	(1,192)	5,522	13,317
Adjustment in respect of change in tax rate from 30% to 28%	–	–	(1,187)
	(22,607)	(27,251)	(56,481)

8 Earnings per Ordinary Share

Earnings per Ordinary Share is based on the profit for the financial period of £56,994,000 (2007: £63,395,000) and the weighted average number of Ordinary Shares in issue during the period of 119,169,405 (2007: 120,598,836). For diluted earnings per Ordinary Share, the weighted average number of Ordinary Shares in issue is adjusted to assume the conversion of all dilutive potential Ordinary Shares. The dilutive potential Ordinary Shares relate to the number of shares subject to released awards under employee share schemes. The effect of the dilutive potential Ordinary Shares is 4,066,431 shares (2007: 141,371), which gives a diluted weighted average number of Ordinary Shares of 123,235,836 (2007: 120,740,207).

Notes to condensed consolidated half-yearly financial information continued

9 Statement of Changes in Shareholders' Equity

	Share capital £'000	Share premium £'000	Capital redemption reserve £'000	Other reserve £'000	Revaluation reserve £'000	Retained profit £'000	Total £'000
Unaudited							
At 1 May 2008	12,082	264	18,173	(961,299)	11,329	1,600,858	681,407
Profit for the financial period	–	–	–	–	–	56,994	56,994
Purchase of own shares	–	–	–	–	–	(17,811)	(17,811)
Cash settlement of employee share schemes	–	–	–	–	–	(10,617)	(10,617)
Reserves transfer from revaluation reserve	–	–	–	–	(5,103)	5,103	–
Actuarial loss recognised in the pension scheme	–	–	–	–	–	(657)	(657)
Deferred tax on actuarial loss recognised in the pension scheme	–	–	–	–	–	184	184
Credit in respect of employee share schemes	–	–	–	–	–	1,271	1,271
Deferred tax in respect of employee share schemes	–	–	–	–	–	3,823	3,823
At 31 October 2008	12,082	264	18,173	(961,299)	6,226	1,639,148	714,594
Unaudited							
At 1 May 2007	18,123	264	12,132	(961,299)	17,725	1,694,630	781,575
Profit for the financial period	–	–	–	–	–	63,395	63,395
Reserves transfer from revaluation reserve	–	–	–	–	(3,911)	3,911	–
Actuarial loss recognised in the pension scheme	–	–	–	–	–	(259)	(259)
Deferred tax on actuarial loss recognised in the pension scheme	–	–	–	–	–	78	78
Credit in respect of employee share schemes	–	–	–	–	–	2,805	2,805
Deferred tax in respect of employee share schemes	–	–	–	–	–	3,300	3,300
At 31 October 2007	18,123	264	12,132	(961,299)	13,814	1,767,860	850,894
Audited							
At 1 May 2007	18,123	264	12,132	(961,299)	17,725	1,694,630	781,575
Profit for the financial year	–	–	–	–	–	137,827	137,827
Reserves transfer from revaluation reserve	–	–	–	–	(6,396)	6,396	–
Redemption of shares	(6,041)	–	6,041	–	–	(241,641)	(241,641)
Actuarial loss recognised in the pension scheme	–	–	–	–	–	(644)	(644)
Deferred tax on actuarial loss recognised in the pension scheme	–	–	–	–	–	180	180
Credit in respect of employee share schemes	–	–	–	–	–	11,940	11,940
Deferred tax in respect of employee share schemes	–	–	–	–	–	(7,830)	(7,830)
At 30 April 2008	12,082	264	18,173	(961,299)	11,329	1,600,858	681,407

Notes to condensed consolidated half-yearly financial information continued

10 Notes to the Consolidated Cash Flow Statement

	Six months ended 31 October 2008 Unaudited	Six months ended 31 October 2007 Unaudited (Restated)	Year ended 30 April 2008 Audited
	£'000	£'000	£'000
Net cash flows from operating activities			
Continuing operations			
Profit for the financial period	56,994	63,395	137,827
Adjustments for:			
- Taxation	22,607	27,251	56,481
- Depreciation	509	491	1,016
- Amortisation of intangible assets	453	1,135	1,817
- Profit on sale of property, plant and equipment	(45)	(50)	(41)
- Finance income	(2,240)	(4,155)	(6,480)
- Finance costs	1,872	6,793	15,774
- Share of results of joint ventures after tax	1,338	1,463	2,416
- Non-cash charge in respect of share awards	1,271	2,805	11,940
Changes in working capital:			
- Decrease/(increase) in inventories	79,518	(107,980)	(102,478)
- Decrease/(increase) in receivables	4,973	(22,928)	6,801
- (Decrease)/increase in payables	(7,956)	98,880	90,713
- Decrease in employee benefit obligations	(635)	(270)	(540)
Cash generated from continuing operations	158,659	66,830	215,246
Reconciliation of net cash flow to net cash/(debt)			
Net increase/(decrease) in cash and cash equivalents, including bank overdraft	142,701	29,845	(144,794)
Cash outflow from decrease in borrowings	–	1,935	59,283
Movement in net cash/(debt) in the period	142,701	31,780	(85,511)
Opening net (debt)/cash	(4,549)	80,962	80,962
Closing net cash/(debt)	138,152	112,742	(4,549)

	At 31 October 2008 Unaudited	At 31 October 2007 Unaudited	At 30 April 2008 Audited
	£'000	£'000	£'000
Net cash/(debt)			
Cash and cash equivalents	138,237	170,175	-
Borrowings, including bank overdraft	(85)	(57,433)	(4,549)
Net cash/(debt)	138,152	112,742	(4,549)

11 Contingent liabilities

The Group has guaranteed bank facilities of £nil (2007: £2,500,000) in joint ventures.

The Group has guaranteed road and performance agreements in the ordinary course of business of £69,181,000 (31 October 2007: £86,369,000; 30 April 2008: £70,763,000).

12 Related party transactions

The Group has entered into the following related party transactions:

a) Charges made for goods and services supplied to joint ventures
During the financial period £nil (2007: £6,000) was charged to joint ventures for goods and services supplied.

b) Transactions with Directors
During the financial period, Mr A W Pidgley paid £61,336 to Berkeley Homes plc for works carried out at his home under the Group's own build scheme. There was no balance outstanding at the half year end.

Independent review report to The Berkeley Group Holdings plc

Introduction

We have been engaged by the Company to review the condensed set of financial statements in the half-yearly financial report for the six months ended 31 October 2008, which comprises the income statement, balance sheet, cash flow statement and related notes. We have read the other information contained in the half-yearly financial report and considered whether it contains any apparent misstatements or material inconsistencies with the information in the condensed set of financial statements.

Directors' responsibilities

The half-yearly financial report is the responsibility of, and has been approved by, the Directors. The Directors are responsible for preparing the half-yearly financial report in accordance with the Disclosure and Transparency Rules of the United Kingdom's Financial Services Authority.

As disclosed in note 3, the annual financial statements of the Group are prepared in accordance with IFRSs as adopted by the European Union. The condensed set of financial statements included in this half-yearly financial report has been prepared in accordance with International Accounting Standard 34, "Interim Financial Reporting", as adopted by the European Union.

Our responsibility

Our responsibility is to express to the Company a conclusion on the condensed set of financial statements in the half-yearly financial report based on our review. This report, including the conclusion, has been prepared for and only for the Company for the purpose of the Disclosure and Transparency Rules of the Financial Services Authority and for no other purpose. We do not, in producing this report, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Scope of review

We conducted our review in accordance with International Standard on Review Engagements (UK and Ireland) 2410, 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity' issued by the Auditing Practices Board for use in the United Kingdom. A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK and Ireland) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the condensed set of financial statements in the half-yearly financial report for the six months ended 31 October 2008 is not prepared, in all material respects, in accordance with International Accounting Standard 34 as adopted by the European Union and the Disclosure and Transparency Rules of the United Kingdom's Financial Services Authority.

PricewaterhouseCoopers LLP
Chartered Accountants
5 December 2008
London